



MEMORANDUM



DATE: August 2006

TO: State Employees Eligible for Dental, FlexElect, or Consolidated Benefits

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: 2006 Open Enrollment for Dental, FlexElect, and Consolidated Benefits Programs, 2007 Dental and Vision Plan Premiums

Open Enrollment for Dental, FlexElect, and Consolidated Benefits (CoBen) is **September 1, 2006 through September 29, 2006**. If you want to enroll in these benefit programs, or make a change to your current enrollment, contact your Personnel Office for the necessary forms.

Open enrollment forms must be signed and submitted to your Personnel Office no later than September 29, 2006. All open enrollment actions will be effective January 1, 2007.

You don't need to submit anything if you're not making any changes in your dental coverage or cash options. Permanent Intermittent employees who want to continue receiving the cash option must re-enroll. If you have a FlexElect reimbursement account and want to participate again next year, you need to re-enroll during open enrollment.

If you enroll in a FlexElect Reimbursement Account, FlexElect Cash Option, or CoBen Cash Option during the open enrollment period, or if you are automatically re-enrolled in the FlexElect/CoBen Cash Option, you have until December 31, 2006, to cancel your enrollment or make changes.

DENTAL BENEFITS

Your dental plan options are listed below. Contact your Personnel Office for a brochure, list of participating dentists, and cost comparison, or call the dental plans. You may also obtain brochures and listings of participating dentists by accessing each plan's Web site at the addresses listed below.

Delta Dental Plans

Delta Premier and Delta Preferred Provider Option (PPO) 1-800-225-3368
www.deltadentalca.org/state

Prepaid Dental Plans

PMI 1-800-422-4234
www.deltadentalca.org

SafeGuard Dental Plan 1-800-880-1800
www.safeguard.net

Delta Dental 2007 Premiums

Delta Dental premiums will increase for the Delta Premier plan and decrease for the Delta Preferred Provider Option (PPO) dental plan effective January 1, 2007.

Impact on Employees Not in Consolidated Benefits

Employees not in CoBen, who are enrolled in the Delta Premier plan, will see an increase in their out-of-pocket premium on their January 1, 2007, pay warrants (December 2006 pay period). Employees not in CoBen, who are enrolled in the Delta PPO plan, will see a decrease in their out-of-pocket premium on their January 1, 2007, pay warrants (December 2006 pay period).

Impact on Employees in Consolidated Benefits

Represented employees in Bargaining Units (Bus) 2, 7, 8, 16, 17, 18, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance. For employees enrolled in the Delta Premier plan, the increased dental premium will result in a higher amount deducted from their monthly CoBen allowance on their January 1, 2007, pay warrants (December 2006 pay period).

For employees enrolled in the PPO plan, the decreased dental premium will result in a lower amount deducted from their monthly CoBen allowance on their January 1, 2007, pay warrants (December 2006 pay period).

The following charts show Delta's new dental premiums that go into effect January 1, 2007.

Delta Dental Premier Basic Plan for Represented Employees:

Coverage	2007 Total Premium	State Share	2007 Employee Share	Employee Share <u>Increase</u>
Employee only	\$46.95	\$35.21	\$11.74	\$0.06
Employee plus one dependent	\$82.72	\$62.04	\$20.68	\$0.11
Employee plus two or more dependents	\$120.01	\$90.01	\$30.00	\$0.15

Delta Dental Premier Enhanced Plan for Excluded Employees:

Coverage	2007 Total Premium
Employee only	\$48.87
Employee plus one dependent	\$97.26
Employee plus two or more dependents	\$136.87

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:

Coverage	2007 Total Premium	State Share	2007 Employee Share	Employee Share <u>Decrease</u>
Employee only	\$40.50	\$30.38	\$10.12	\$0.13
Employee plus one dependent	\$79.44	\$59.58	\$19.86	\$0.26
Employee plus two or more dependents	\$119.89	\$89.92	\$29.97	\$0.40

Prepaid Dental Plan 2007 Premiums

Premiums for PMI and SafeGuard will increase effective January 1, 2007. However, the State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, the State's share and employee's share do not apply. Therefore, the increased dental premium will be deducted from the monthly CoBen allowance on their January 1, 2007, pay warrants (December 2006 pay period). Prepaid dental plans premiums are reflected on the next page.

Coverage	SafeGuard Standard	SafeGuard Enhanced	PMI
Employee only	\$15.11	\$14.78	\$17.35
Employee plus one dependent	\$24.48	\$25.02	\$28.47
Employee plus two or more dependents	\$34.29	\$30.82	\$39.38

Union-Sponsored Dental Plans: Bargaining Units 5 and 6

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members; however, members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA members.

Employees in BU 5 and 6 should contact their Benefit Trust for information on their union-sponsored dental plan premiums and benefits.

CONSOLIDATED BENEFITS

In the absence of all ratified and signed collective bargaining agreements, the 2007 CoBen allowance amounts will not be included in this memo. Once the agreements are ratified and signed, DPA Benefits Division will send a separate memo to all departments with the 2007 CoBen allowances for rank and file and excluded employees. All departments will be responsible for communicating this information to their employees. You may also check the DPA website for any updates.

All excluded employees and employees represented by BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen. The State provides you a benefit allowance to purchase health, dental, and vision benefits. If the total cost of the plans you choose is less than your CoBen allowance, you receive the difference as taxable income. If the total cost of the plans is more than the CoBen allowance, the difference is deducted from your pay warrant pre-tax.

If you have health and dental coverage through another source, you may enroll in the CoBen Cash Option. These amounts are \$155 a month in-lieu of health and dental coverage, and \$130 a month in-lieu of health coverage only. To enroll in a CoBen Cash Option, complete a Consolidated Benefits (COBEN) Cash Enrollment Election (STD. 702) form during open enrollment.

For details, refer to the 2007 CoBen handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Benefits, then click on Consolidated Benefits, under CoBen Publications and Forms).

CoBen Calculator

If you are going to make a change in your benefit choices during the open enrollment period, you may want to use the CoBen Calculator on DPA's Web site, which will help you determine how much will be deducted from your paycheck, or added to it, based on which health and dental plans you choose. You simply click on your health and dental plan choices, and how many dependents will be covered.

The calculator automatically computes the total cost of the benefits you select and subtracts them from the CoBen allowance. The result shows whether you will have a monthly benefit deduction or receive extra cash. There are two separate calculators, one for excluded employees and another for rank and file employees in BUs 2, 7, 8, 16, 17, 18, and 19. Once the collective bargaining agreements for employees in CoBen are ratified and signed, the CoBen calculator will be updated with the 2007 CoBen Allowance amounts. The CoBen calculator is located at www.dpa.ca.gov (click on Benefits, then Consolidated Benefits, and scroll down to the link for the calculators).

FLEXELECT

Important Program Change: Effective January 1, 2007, the FlexElect Program will increase the administration fee from \$1.00 per month to \$2.50 per month. For employees who are enrolled in the Dependent and/or Medical Reimbursement Accounts and/or FlexElect Cash Option, the increased administrative fee will be deducted from their monthly pay on their January 1, 2007 pay warrants (December 2006 pay period).

If you have health and/or dental coverage through another source, you can opt for cash in-lieu of your State-sponsored benefit. The FlexElect Cash Option is \$128 a month for health and \$12 a month for dental. To enroll in FlexElect Cash Option, complete a Cash Option Enrollment Authorization (STD. 701C) form during open enrollment. FlexElect also offers reimbursement accounts that allow you to use pre-tax salary to pay for dependent care and/or medical care that aren't covered by insurance. To enroll in a FlexElect Reimbursement Account, complete a Reimbursement Account Enrollment Authorization (STD. 701R) form during open enrollment.

For details, refer to the 2007 FlexElect handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Benefits, then click on Cash Options or FlexElect Reimbursement Accounts, under Related Forms).

VISION PROGRAM

The premium paid to the Vision Service Plan for vision coverage will remain at the current rate of \$9.19 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

To learn more about Dental, FlexElect, and CoBen or for questions regarding the 2006 open enrollment period, please contact your Personnel Office. You may also visit our Web site at www.dpa.ca.gov (click on Benefits).